

## TARIFF ACTION MEMO

**Date:** December 28, 2022

**Date Filed:** December 14, 2022

**Statutory End Date:** March 14, 2023

**File No:** TL6-579

**Name of Utility:** North Slope Borough D/B/A Nuiqsut Natural Gas Pipeline

**Subject:** Simplified Pipeline Filing

### **Recommendation**

Staff recommends the Commission Issue a Letter Order Accepting TL6-579 as filed by the North Slope Borough D/B/A Nuiqsut Natural Gas Pipeline on December 14, 2022. The date of acceptance should be January 1, 2023. The letter order should also close this tariff matter.

The Commission should also approve a shortened statutory review period based on a finding that good cause exists. The new statutory review period should end January 1, 2023.

Please see attached Staff Memorandum supporting the above recommendation.

Signed: Kevin AufDerHeide Title: Utility Financial Analyst  
Kevin AufDerHeide

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Commission decision regarding this recommendation:

	<u>Date (if different from 12/28/22)</u>	<u>I Concur</u>	<u>I Do Not Concur</u>	<u>I Will Write A Dissenting Statement*</u>
Kurber II		<u>KKI</u>		
Doyle		<u>RME</u> for RAD BP		
Pickett		<u>RME</u> BP		
Sullivan		<u>DS</u>		
Wilson		<u>JWW</u> JWW		

\* If this column is initialed, Staff will contact the Commissioner for the statement; otherwise, the dissent will simply be noted at the close of the By Direction letter or order.

## **MEMORANDUM**

To: Keith Kurber II, Chairman  
Robert A. Doyle  
Robert M. Pickett  
Daniel A. Sullivan  
Janis W. Wilson

Date: December 28, 2022

From: Kevin AufDerHeide, Utility Financial Analyst

Subject: Annual Transportation Rate Revision

### **Recommendation**

Staff recommends the Commission Issue a Letter Order Accepting TL6-579 as filed by the North Slope Borough D/B/A Nuiqsut Natural Gas Pipeline on December 14, 2022. The date of acceptance should be January 1, 2023. The Letter Order should also close this tariff matter.

### **Background**

In Docket P-07-006(3)<sup>1</sup>, the Commission granted a certificate of public convenience and necessity to the North Slope Borough (NSB). The certificate was for a gas pipeline from the Alpine Field to Nuiqsut, Alaska. The NNGP is owned by the NSB. The NNGP consists of approximately 14 miles of three-inch diameter pipe. This pipe starts with the interconnection at the NSB conditioning unit located at the ConocoPhillips Alaska Inc. operated Alpine Field drilling pad. It ends at or near the NSB Gas Receiving Module located near the community of Nuiqsut.

NNGP filed its original SPF (Simplified Pipeline Filing)<sup>2</sup> on April 3, 2009, and also filed again in 2016. With the current filing, there are no changes, nor have there been any changes to rates since the filing on April 3, 2009.

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<sup>1</sup> In the Matter of the Application Filed by the North Slope Borough for a Certificate of Public Convenience and Necessity to Operate a Pipeline Under AS 42.06.

<sup>2</sup> The Docket which enacted these Simplified Pipeline Regulations was R-05-011.

TL3-579 established the current rates, which are the same as the proposed rates, for NNGP and are as follows:

Firm Transportation to Nuiqsut Alaska	Not more than \$1.792 per Mcf per (Includes gas)
Interruptible Transportation Service	\$2.09 per mcf per month

### **Filing**

NNGP states the following in their tariff letter, “NNGP is not requesting any rate change, rule change, or any other changes to its current simplified tariff. Therefore: (1) there are no revised tariff sheets to attach that would supersede existing tariff sheets; (2) there will be no material change in NNGP’s annual revenues; (3) there will be no change in number of customers; and (4) this filing will not result in the termination of an existing service.”

NNGP further requests that this status quo filing be accepted and go into effect by January 1, 2023. NNGP asserts the effective date for this filing would determine the due date for NNGP’s next rate filing under 3 AAC 48.464(h). This provides good cause to shorten the review period for this filing to January 1, 2023.

### **Notice**

The Commission publicly noticed TL6-579 on December 15, 2022, with a comment period ending December 23, 2022.<sup>3</sup> The Commission received no comments.

### **Analysis**

Simplified pipeline rate revisions are based upon the original simplified pipeline filing (SPF) and then updated if necessary. For NNGP the original SPF is TL3-579. In TL6-579 NNGP asserts the rate calculated under the regulations is \$23.35/mcf for both firm and interruptible service. The current rates shown above are substantially below the rate supported by the rate calculation as outlined in the SPF regulations. As in the previous SPF rate filing, the Commission should allow NNGP to charge less than the calculated rate. Additionally, 3 AAC 48.464 appears to allow rates to be less than or

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<sup>3</sup> The Commission previously approved a shortened comment period to end on December 23, 2022.

equal to the rates calculated under 3 AAC 48.464. The North Slope Borough states that they have sufficient revenue and resources to continue operating and maintaining the pipeline.

### **Conclusion**

Based on the no changes nature of this filing, Staff recommends the Commission issue a Letter Order Accepting TL6-579. The date of acceptance should be January 1, 2023.

**Signature:** Keith Kurber II  
Keith Kurber II (Dec 28, 2022 08:38 AKST)

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**Signature:** Daniel Sullivan  
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